

Funding programme administered by the Vienna Business Agency

Tech4People

Objectives

In the context of the ongoing digitalisation of numerous aspects of life, the City of Vienna has clearly embraced a human-centric approach to digitalisation and technological development. This commitment is further articulated in strategic documents such as the Digital Agenda 2025, the Vienna Economic and Innovation Strategy VIENNA 2030 and the Vienna Manifesto for Digital Humanism.

In line with the digital humanism approach, it is vital to prioritise ethical and social responsibility in the development of new digital technologies. This should be achieved by ensuring privacy protection, avoiding algorithmic discrimination, preventing data and service monopolisation, and promoting transparency. Digital technologies should contribute to improving the quality of life by supporting human needs such as health, education and sustainability, while also utilising the opportunities offered by artificial intelligence and considering the associated challenges. The core emphasis is on human-centred innovation, with the overarching objective being the achievement of positive social developments in the long term.

The objective of the funding program is to encourage the development of new technologies that prioritise human needs and values and balance technological advancement with ethical principles, ensuring that both aspects are given due consideration.

This funding programme follows the general objectives (economic effects, innovation orientation and social benefits) of the 'Framework Guideline 24+ of the Vienna Business Agency on Monetary Economic Promotion' (hereinafter referred to as the Framework Guideline).

This programme also addresses the following focus topic listed in the preamble of the Framework Guidelines:

- **Diversity**
Regardless of the intended outcomes, applicants must clearly and plausibly demonstrate how the topic of diversity is incorporated in the implementation of their project. Furthermore, applicants must describe how they will ensure that different perspectives, experiences and backgrounds of people in the target group will be incorporated in the development process.

Target group

This funding programme is targeted at existing enterprises in Vienna and founders aiming to develop new or significantly improved products, services, processes or procedures in Vienna that benefit people and follow the principles of digital humanism.

With regard to partnership-based applications, universities, universities of applied science, associations, non-university research institutions and other legal entities (pursuant to Section 2 of the Framework Guidelines) from the social, research and education sectors are also eligible for funding, subject to the condition that the lead partner is an existing enterprise or an enterprise being established in Vienna.

Eligible projects

The programme supports research and development projects (hereafter referred to as R&D projects) whose solutions directly benefit people and which can exemplarily be assigned to the following areas health, eHealth, education, media, housing, work, security, data protection, transport, mobility and climate protection.

R&D projects that are eligible for funding must take the following principles into account, depending on the target group and area of application:

- The actual needs and wishes of the users should be considered during the development process, e.g. through continuous feedback, user tests and the active involvement of the target group in the decision-making process.
- The technologies to be developed should be accessible to the entire target group, regardless of their individual abilities, age or social background, in order to promote equal opportunities and avoid digital exclusion.
- The protection of personal data and privacy must be guaranteed.
- Products and technologies must be easy and intuitive to use in order to promote acceptance and make them easier to use.
- Sustainability and social responsibility in order to achieve long-term positive effects and avoid unnecessary burdens on the environment.

The projects must also:

- address current research questions on the chosen topic, going beyond the state of the art.
- be categorised as 'industrial research' (IR) or 'experimental development' (ED) according to the GBER;
- include a fundamental economic realisation strategy from which future economic value creation in Vienna can be derived; and
- lead to direct or indirect product and service innovations.
- have a primary focus on technological R&D, with identifiable risks of failure in the course of realisation.

Funding applicants must themselves perform significant parts of the R&D activities that form the subject of the project, with the exception of clinical studies, and bear a substantial share of the risk associated with implementation of the project, in particular the risk involved in the commercial exploitation of the results of the R&D activities. Consequently, projects that are predominantly based on the acquisition of services and goods (investments) are not eligible for funding.

Key information about the funding programme

The following table provides an overview of key information about the funding programme. This funding programme is subject to the Framework Guidelines. The table below lists sections from the Framework Guidelines that describe specific conditions or restrictions, along with other aspects relevant to this funding programme.

Legal framework (see FG Section 1)	<p>The Framework Guidelines and this funding programme were noted at the sitting of the Vienna City Council of 17/12/2024 under eRecht reference 1171017-2023.</p> <p>The legal basis under EU law on state aid comprises: General Block Exemption Regulation (GBER) Articles 22, 25 and 28 De Minimis Regulation</p>
Funding eligibility conditions (see FG Section 2)	<p>Eligible applicants: Small, medium-sized and large enterprises with an existing or planned establishment in Vienna. Simplified definition:</p>

		Number of employees		Annual turnover		Balance sheet total
	Small enterprise	< 50	and	max. €10m	or	max. €10m
	Medium-sized enterprise	< 250	and	max. €50m	or	max. €43m
	Large enterprise	> 250	and	over €50m	or	over €43m
<p>Founders planning to open a permanent establishment and implement their project in Vienna must demonstrate that they have established a premises in Vienna within 6 months of funding approval.</p> <p>In addition to those listed above, universities, universities of applied science, associations, non-university research institutions and other legal entities (within the meaning of Section 2 of the Framework Guidelines) from the social, research and education sectors are also eligible for funding as project partners in partnership-based applications.</p> <p>Associations and research institutions that are neither universities nor universities of applied science are considered enterprises. Their size is determined based on the European Commission's definition of SMEs (see table above).</p>						
Funding type (see FG Section 3)		Funding awarded in the context of the Framework Guidelines is provided in the form of non-repayable grants.				
Project start, duration and extension; recognition period for expenses (see FG Subsection 4.2)		<p>The maximum project duration is 5 years. The project must not have begun before the application is submitted.</p> <p>The application must also be submitted prior to any orders being placed, deliveries being received, services rendered, invoices issued and/or payments made in relation to the project. When submitting the application, applicants must state the planned end date for the project. If funding is approved, the project must begin as promptly as possible. The recognition period for expenses can begin, at the earliest, on the date of submission of the application and end, at the latest, upon expiration of the maximum project duration (subject to possible extensions). The maximum recognition period for expenses runs from the planned project start date as stated in the application, or the altered start date if reported to and approved by the Vienna Business Agency, to the end of the project period (subject to possible extensions).</p> <p>The Vienna Business Agency can only approve extensions to the maximum project duration in the following cases:</p>				

	<ul style="list-style-type: none"> • If the procurement of items to be included in the enterprise's fixed assets may be significantly delayed for objectively legitimate reasons (e.g. missing permits, unforeseen delays to delivery periods). • If the person responsible for project management at a small enterprise (in accordance with the definition of an SME) restricts or discontinues their activities in order to meet their caregiving responsibilities. Evidence of this must be provided. Extensions of up to one year may be granted. Caregiving responsibilities include, in particular, caring for children or other close relatives.
<p>Eligible costs (see FG Subsection 5.2)</p> <p>Only costs incurred after the application is submitted and the project begins are eligible for funding.</p>	<p>In particular, this includes the following costs, which must be directly attributable to the project:</p> <p><u>Personnel</u> Eligible personnel costs include costs for</p> <ul style="list-style-type: none"> • Employees • Independent contractors • Shareholders or owners of small enterprises <p>Hourly rates: See Annex 2 of the Framework Guidelines</p> <p><u>External services</u></p> <ul style="list-style-type: none"> • Consultancy and development • Initial obtainment, validation and defence of patents and other intangible assets • Initial product, system, process and corporate certifications by suitable appointed bodies (third-party certification, notified bodies), technical validations <p><u>Tangible and intangible investments</u></p> <ul style="list-style-type: none"> • Machinery, plant, instruments, licences and property rights <p><u>Material expenses</u></p> <ul style="list-style-type: none"> • Consumables <p><u>Construction-related measures</u></p> <ul style="list-style-type: none"> • Renovation work necessary for the installation of machinery and plant <p>All investments and material expenses for construction recognised exclusively on the basis of the EU De Minimis Regulation or, if applicable, Article 22 GBER.</p>
<p>Ineligible costs (see FG Subsection 5.3)</p>	<ul style="list-style-type: none"> • Own work capitalised • Ongoing business expenses • Taxes, public fees and financing costs • Procurement of land and buildings • Invoices with net eligible costs below EUR 200 • Machine hours • Travel costs, hospitality, expense allowances • Pre-marketing and marketing

Overhead rate (see FG Subsection 5.4)	Funded personnel costs are awarded with an overhead rate of 20%. The overhead rate covers all overhead costs (e.g. rent for general spaces, operating costs, maintenance, office materials, administration, accounting/controlling, payroll accounting, IT). These costs may not be listed as direct costs.																														
Assessment basis/ minimum assessment threshold (see FG Section 6)	The sum of all recognised project costs serves as the assessment basis for the funding. Minimum assessment threshold: EUR 50,000																														
Maximum funding rate (see FG Subsection 7.1)	The applicable rates are detailed in the table below and depend on a. the project character, i.e. “industrial research”, “experimental development” (see Annex I of this document) or “obtaining, validating and defending patents and other intangible assets”, b. the size of the enterprise, c. whether research projects are implemented in cooperation, and/or d. whether the results of the research projects are widely disseminated. The jury will designate each project as “industrial research” or “experimental development”.																														
	<table><tr><td>Funding intensities according to the assessment basis for</td><td>SE</td><td>ME</td><td>LE</td><td>Uni, UAS</td></tr><tr><td>Experimental development (ED)</td><td>45%</td><td>35%</td><td>25%</td><td>80%</td></tr><tr><td>ED with supplement for cooperation</td><td>60%</td><td>50%</td><td>40%</td><td>80%</td></tr><tr><td>Industrial research (IR)</td><td>70%</td><td>60%</td><td>50%</td><td>80%</td></tr><tr><td>IR with supplement for cooperation or wide dissemination of results</td><td>80%</td><td>75%</td><td>65%</td><td>80%</td></tr><tr><td>Obtaining, validating or defending patents and other intangible assets, exclusively in the context of funding for ED or IR</td><td>50%</td><td>50%</td><td>-</td><td>-</td></tr></table>	Funding intensities according to the assessment basis for	SE	ME	LE	Uni, UAS	Experimental development (ED)	45%	35%	25%	80%	ED with supplement for cooperation	60%	50%	40%	80%	Industrial research (IR)	70%	60%	50%	80%	IR with supplement for cooperation or wide dissemination of results	80%	75%	65%	80%	Obtaining, validating or defending patents and other intangible assets, exclusively in the context of funding for ED or IR	50%	50%	-	-
	Funding intensities according to the assessment basis for	SE	ME	LE	Uni, UAS																										
	Experimental development (ED)	45%	35%	25%	80%																										
	ED with supplement for cooperation	60%	50%	40%	80%																										
	Industrial research (IR)	70%	60%	50%	80%																										
	IR with supplement for cooperation or wide dissemination of results	80%	75%	65%	80%																										
	Obtaining, validating or defending patents and other intangible assets, exclusively in the context of funding for ED or IR	50%	50%	-	-																										

	<p>Associations and non-university research institutions are classified as enterprises based on the European Commission's definition of an SME. The funding rates for enterprises listed above apply accordingly.</p> <p><u>Supplement for cooperations:</u> The funding intensity may be increased by 15 percentage points for cooperative projects between enterprises, up to an upper limit of 80% (see table above), if</p> <ol style="list-style-type: none"> the project is implemented as a collaboration between at least two independent enterprises, no single enterprise bears more than 70% of the eligible costs and the project is a cooperation with at least one SME or is an international cooperation. <p>The funding intensity may be increased by 15 percentage points for cooperative projects between enterprises and universities/universities of applied science, up to an upper limit of 80% (see table above), if</p> <ol style="list-style-type: none"> the university/university of applied science bears at least 10% of eligible costs and the university has the right to publish the results of the work it carried out. Cooperations between enterprises and universities/universities of applied science must also meet the following requirements to be considered eligible cooperative projects: <ul style="list-style-type: none"> The project must provide for a demonstrable transfer of knowledge and expertise from the university/university of applied science to the enterprise (lead partner). The transfer of knowledge and expertise must facilitate, enhance or advance genuine cooperation between science and business. The project must increase the value-creation potential of Vienna and enhance the innovative capacity of the lead partner. <p>The funding intensity will be calculated separately for each project partner; none of the partners may exceed their respective calculated limits.</p>
Maximum funding amount (see FG Subsection 7.2)	EUR 600,000
Bonus (see FG Subsection 7.3)	<p><u>Start-up bonus</u> The start-up bonus is exclusively available to founders and enterprises that were founded no more than one year prior to the date the application was submitted. The start-up bonus of EUR 5,000 is paid out either with the advance payment or with the final payment, subject to evidence of an eligible foundation date being provided. A maximum of one start-up bonus can be paid to each funded enterprise.</p> <p><u>Women's bonus</u> The women's bonus is EUR 10,000. This bonus is awarded to projects demonstrably led by a suitably qualified woman (as evidenced by their CV) employed by the enterprise (or, for partnership-based applications, by the lead partner) or, alternatively, by a suitably qualified female managing shareholder. It is paid with the final payment, subject to fulfilment of the requirements.</p>

Funding application – General requirements (see FG Subsection 9.1.1)	<p>Funding applications can only be submitted via the Vienna Business Agency website. Applicants must complete the online forms accurately and in full.</p> <p>The following documents must be attached to each application:</p> <ul style="list-style-type: none"> • Application confirmation • De minimis declaration • Most recent annual financial statement and/or cash-method accounting statement
Partnership-based funding applications (see FG Subsection 9.1.2)	Partnership-based applications are permitted.
Type of assessment and selection process (see FG Subsection 9.2.3)	<p>The process operates on a competitive basis.</p> <p>The application questions and assessment criteria for this funding programme are available on the Vienna Business Agency website.</p>
Progress reports (see FG Subsection 9.5.1)	A progress report must be submitted every six months.
Interim report (see FG Subsection 9.5.2)	<p>A partial payment is available to projects with a duration of 3 years or more following submission of an interim report including a financial account. This partial payment can be made at the earliest half-way through the planned project duration and, at the latest, one year before the actual end of the project. Significantly more than 50% of the total project costs must have already been incurred and only completed work packages can be included in this calculation.</p> <p>All reporting must use the electronic forms provided.</p> <p>An interim report must include an interim account of actual project costs incurred to date as well as updated cost planning for the project as a whole. If this update results in a significant reduction in total project costs, subsequent partial disbursements will be adjusted in line with the new circumstances or cancelled altogether.</p>
Final report, incl. final account (see FG Subsection 9.5.3)	A detailed final report – including a final account listing actual project costs – must be submitted online immediately after the funded project ends, at the latest within 3 months of the end of the project.
Advance payments (see FG Subsection 9.6.1)	The payment schedule includes an advance payment of max. 50% of the approved funding amount.
Partial payment (see FG Subsection 9.6.2)	A partial payment can be made following a positive evaluation of the submitted interim report. The maximum amount is based on the approved funding amount, minus any advance payments, also leaving 20% of the total funding amount for the final payment.

Final payment (see FG Subsection 9.6.3)	<p>After the final report and final account have been submitted and examined, the funding will be recalculated on the basis of the costs actually incurred in the funded project and recognised as eligible.</p> <p>If the calculated funding a recipient is due falls below the maximum funding amount stated in the funding decision, all advance and partial payments will be deducted from the calculated funding amount – not from the maximum funding amount.</p> <p>A positive balance will be transferred to the funding recipient; a negative balance must be repaid within 14 days of request. In the event of repayment delays, interest of 9% p.a. will be applied to the sum due.</p>
Funding payments for partnership-based applications (see FG Subsection 9.6.4)	<p>The total funding amount for all partners is paid to the authorised lead partner with discharging effect. The lead partner must transfer the shares of the funding amount due to the other project partners immediately, in accordance with the written disclosure submitted to the Vienna Business Agency.</p> <p>The final funding amount due to each project partner will be recalculated on the basis of the final calculation and is subject to the provisions of EU law on state aid as well as the provisions of the Framework Guidelines and this programme documentation. The total funding amount is limited to the maximum subsidy amount.</p>
Period of validity (see FG Section 14)	<p>Valid from 01/04/2024 to 31/03/2025.</p> <p>Further details of application periods are announced on the Vienna Business Agency website.</p>

Annex I

Industrial research

as defined in Article 2(85) GBER:

“Industrial research” means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.

Experimental development

as defined in Article 2(86) GBER:

“Experimental development” means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.